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STANDARD FORM NO. 64

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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : The Director

FROM : Assistant General Counsel

SUBJECT: Proposed Federal Property and Administrative Services Act of 1949.

DATE: 19 May 1949

1. In line with the recommendations of the Hoover Commission, there has now been reported out of the Senate Committee on Expenditures, and is presently being considered by the House Committee on Expenditures, a bill to simplify the procurement of Government property and establish a General Services Agency for the Government.

2. You will note that under the provisions of Section 502(d), commencing on page 56, line 3, ~~that~~ certain officers and agencies of the Government are specifically exempted from the provisions of this bill. These exemptions include Atomic Energy Commission, certain procurement responsibilities of the Secretary of Defense and National Military Establishment, and executive agencies named in the Armed Services Procurement Act of 1947. While CIA was not specifically mentioned in the Armed Services Procurement Act, we are trying to have certain of its provisions extended to CIA by our current legislation.

3. The Services Officer and the Executive and his Deputy feel that we should request exemption under Section 502(d) because of the need for security, particularly in our covert procurement.

4. The proposed bill states that its authorities shall not be subject to the provisions of any law inconsistent with it, and if this measure is passed subsequent to CIA legislation, there may be some question as to whether CIA might not be bound by it if we do not have the specific exemption.

5. Section 206(c), page 29, line 20, authorizes the GAO to audit all types of property accounts and transactions in such manner as may be determined by the Comptroller General. The question of security in this connection, while it can probably be worked out to our mutual satisfaction, would lead us to suggest that this Agency be exempted from all of the provisions of the Act.

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6. It is requested that I be permitted to secure the approval of the Bureau of the Budget in requesting an exemption for CIA from this proposed legislation, and that I take the necessary steps with the appropriate committees to include us in Section 502(d).

*yes - please do  
PWR*

STATINTL

Walter L. Pforzheimer ✓

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